

FEB 9 1999
STATE GOVERNMENT

3-11-99 Do Pass
S- 3/23/99 State Hood
S- 3/30/99 Do Pass

HOUSE FILE **234**
BY JACOBS and HUSER

Passed House, ^(P785) Date 3/23/99 Passed Senate, Date _____
Vote: Ayes 90 Nays 6 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act limiting the liability of the state and political
2 subdivisions of the state for certain losses caused by the
3 failure of computer software or a device containing a computer
4 processor.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 234

1 Section 1. NEW SECTION. 669.25 COMPUTER PROCESSING (YEAR
2 2000) LIABILITY LIMITED.

3 The state is not liable for a claim for a loss from a
4 failure or malfunction occurring before December 31, 2005,
5 which is caused directly or indirectly by the failure of
6 computer software or a device containing a computer processor
7 to accurately or properly recognize, calculate, display, sort,
8 or otherwise process dates or times, if the failure or
9 malfunction causing the loss was unforeseeable or if the
10 failure or malfunction causing the loss was foreseeable but
11 the plan or design, or both, for identifying and preventing
12 the failure or malfunction was prepared in substantial
13 compliance with generally accepted computer and information
14 system design standards in effect at the time of the
15 preparation of the plan or design.

16 Sec. 2. NEW SECTION. 670.14 COMPUTER PROCESSING (YEAR
17 2000) LIABILITY LIMITED.

18 A municipality is not liable for a claim for a loss from a
19 failure or malfunction occurring before December 31, 2005,
20 which is caused directly or indirectly by the failure of
21 computer software or a device containing a computer processor
22 to accurately or properly recognize, calculate, display, sort,
23 or otherwise process dates or times, if the failure or
24 malfunction causing the loss was unforeseeable or if the
25 failure or malfunction causing the loss was foreseeable but
26 the plan or design, or both, for identifying and preventing
27 the failure or malfunction was prepared in substantial
28 compliance with generally accepted computer and information
29 system design standards in effect at the time of the
30 preparation of the plan or design.

31 EXPLANATION

32 This bill limits the liability of the state and political
33 subdivisions of the state with respect to the failure of
34 computer software or a device containing a computer processor
35 to accurately or properly recognize, calculate, display, sort,

1 or otherwise process dates or times. The limitation of
2 liability applies if the failure or malfunction causing the
3 loss was unforeseeable or if the failure or malfunction
4 causing the loss was foreseeable but the plan or design, or
5 both, for identifying and preventing the failure or
6 malfunction was prepared in substantial compliance with
7 generally accepted computer and information system design
8 standards in effect at the time the plan or design was
9 prepared.

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HOUSE FILE 234

S-3342

1 Amend House File 234, as passed by the House, as
2 follows:
3 1. By striking everything after the enacting
4 clause and inserting the following:
5 "Section 1. Section 669.14, Code 1999, is amended
6 by adding the following new subsection:
7 NEW SUBSECTION. 15. Any claim based upon a year
8 2000 problem, when there has been an independent
9 verification and validation analysis or other
10 reasonable care taken with regard to prevention or
11 remediation of possible year 2000 problems, whether or
12 not the basis of the claim was foreseen or included in
13 the verification and validation analysis. For
14 purposes of this subsection, "year 2000 problem" means
15 an event, circumstance, disruption, or other problem
16 which prevents computer hardware, software, programs,
17 embedded microprocessor systems, telecommunications
18 systems and software, or other equipment, software, or
19 systems utilized to process data and information from
20 accurately processing, calculating, comparing, or
21 sequencing date or time data or information from,
22 into, or among the nineteenth, twentieth, and twenty-
23 first centuries, or between the years 1999 and 2000,
24 or leap year calculations. "Year 2000 problem" also
25 includes an inability of the state to perform its
26 intended or required functions because of a year 2000
27 problem encountered by a third party.
28 Sec. 2. Section 670.4, Code 1999, is amended by
29 adding the following new subsection:
30 NEW SUBSECTION. 16. Any claim based upon a year
31 2000 problem, if the failure or malfunction causing
32 the problem was unforeseeable or if the failure was
33 foreseeable but the municipality exercised reasonable
34 care to identify and prevent the year 2000 problem.
35 For purposes of this subsection, "year 2000 problem"
36 means an event, circumstance, disruption, or other
37 problem which prevents computer hardware, software,
38 programs, embedded microprocessor systems,
39 telecommunications systems and software, or other
40 equipment, software, or systems utilized to process
41 data and information from accurately processing,
42 calculating, comparing, or sequencing date or time
43 data or information from, into, or among the
44 nineteenth, twentieth, and twenty-first centuries, or
45 between the years 1999 and 2000, or leap year
46 calculations. "Year 2000 problem" also includes an
47 inability of the municipality to perform its intended
48 or required functions because of a year 2000 problem
49 encountered by a third party."

By JOHN P. KIBBIE

S-3342 FILED APRIL 13, 1999